

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 PA-01 PRS-01 /023 W

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R 241745Z FEB 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 2964

LIMITED OFFICIAL USE SECTION 1 OF 2 ROME 2983

PASS COMMERCE BIC/OED

E.O. 11652: N/A

TAGS: BEXP, ETEL, IT

SUBJECT: FOREIGN BUYER/MAJOR PROJECT OPPORTUNITY: VISIT OF ITALIAN
MINISTER OF POSTS AND TELECOMMUNICATIONS

1. SUMMARY: IN COURSE OF COMMERCIAL ASSISTANCE TO US COMPANY INVOLVED IN BIDDING ON MAJOR PROJECT, PROSPECT HAS EMERGED FOR CREATING A MAJOR OPENING TOWARD PROMOTING JOINT VENTURES BETWEEN ITALIAN AND AMERICAN COMPANIES--ESPECIALLY IN EXPANDING THIRD WORLD MARKETS-- IN A DISCIPLINE WHICH LENDS ITSELF TO THIS TYPE OF ACTIVITY, NAMELY, TELECOMMUNICATIONS, THIS IS AREA WHERE AMERICAN AND ITALIAN TECHNOLOGY CAN COMPLEMENT EACH OTHER, WITH RESULTS BENEFICIAL TO BOTH COUNTRIES. AS STARTER, THE EMBASSY PROPOSES A VISIT TO UNITED STATES BY THE MINISTER OF POSTS AND TELECOMMUNICATIONS, WHOSE MINISTRY ENCOMPASSES POSTS, TELEPHONE, TELEVISION, RADIO AND TELEGRAPH SERVICES IN ITALY. END SUMMARY.

2. THE EMBASSY HAS BEEN FOLLOWING UP WITH ITALIAN MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT) THE STATUS OF AWARD OF CONTRACT FOR THE ROME ELECTRONIC MESSAGE SWITCHING CENTER TO ROCKWELL/COLLINS (APRIL 1976) WHICH APPEARED TO BE ENCOUNTERING A DELIBERATE SLOW DOWN IN IMPLEMENTATION, AS WELL AS APPEARANCES OF THIS U.S. BIDDER BEING "FROZEN OUT" OF PARTICIPATION IN APPP-
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LICATIONS OF THIS PROJECT TO OTHER ITALIAN CITIES. FROM PAST HISTORY THIS CASE, USDOC WILL RECALL THAT ROCKWELL/COLLINS' ACD SYSTEM WON AWARD OVER RIVAL ED SYSTEM, WHICH SUBMITTED BY FACE-STANDARD/SIT SIEMENS, AND WHICH BASED ON GERMAN SIEMENS TECHNOLOGY. LATTER GROUP WERE ALLEGED TO BE STRIVING HOLD COLLINS' PARTICIPATION TO A MINIMUM.

3. QUESTIONS RAISED BY MPT OFFICIALS RE CAPABILITY ROCKWELL/COLLINS DELIVER GOODS PER AWARD LED COUNSELOR, ON BEHALF ROCKWELL/COLLINS, TO SUGGEST MPT OFFICIALS VISIT ROCKWELL/COLLINS FACILITIES IN DALLAS, TEXAS TO RE-ASSURE THEMSELVES. FURTHER DISCUSSINS GENERATED INTEREST ON PART OF BOTH MPT AND ROCKWELL/COLLINS TO EXPAND VISIT TOWARD BROADER CONTEXT OF COLLABORATION BETWEEN U.S. AND ITALIAN COMPANIES IN JOINT VENTURES, BOTH IN ITALY AND THIRD MARKETS, ESPECIALLY IN HIGHLY SOPHISTICATED FIELD OF TELECOMMUNICATIONS WHICH LENDS ITSELF TO COMPLEMENTARY EFFORTS. WHILE DIRECTOR GENERAL MPT ALREADY INVITED BY ROCKWELL/COLLINS, DISCUSSIONS LOGICALLY LED TO SUGGESTION THAT VISIT TO U.S. BE ELEVATED TO MINISTER LEVEL, AND THAT VISIT BE SPONSORED BY SECRETARY OF COMMERCE UNDER FOREIGN BUYER/MAJOR PROJECTS PROGRAM. MPT OFFICIALS INFORMALLY SOUNDED OUT MISTER WHO IS FAVORABLY INCLINED, ESPECIALLY IF INVITATION WERE TENDERED BY APROPRIATE AUTHORITY, SUCH AS SECRETARY OF COMMERCE.

4. ACCORDINGLY, THE EMBASSY, IN CONSULTATION WITH MPT AND T ROCKWELL/COLLINS, HAS WORKED OUT THE FOLLOWING PROPOSAL RELATIVE TO THIS INITIATIVE:

A) THAT AN INVITATION BE ISSUED BY THE SECRETARY OF COMMERCE TO THE HONORABLE VITTORINO COLOMBO, MINISTER ON POSTS AND TELECOMMUNICATIONS, TO VISIT THE DEPARTMENT OF COMMERCE IN WASHINGTON TO DISCUSS COMMERCIAL AND TECHNOLOGICAL DEVELOPMENTS OF MUTUAL INTEREST IN THE FIELD OF TELECOMMUNICATIONS. THE INVITATION SHOULD INSLUDE AN OFFER TO MAKE ARRANGEMENTS FOR MEETINGS WITH APPROPRIATE OFFICIALS IN STATE, AND OTHER PERTINENT AGENCIES IN WASHINGTON.

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B) SINCE THE IMPETUS FOR THIS OPPORTUNITY CAME FROM ROCKWELL/COLLINS AND THEIR OFFER TO DEMONSTRATE CAPABILITY OF THEIR EQUIPMENT "ON LOCATION/ IN DALLAS, IT WOULD BE APPROPRIATE TO INCLUDE IN THE INVITATION A REFERENCE TO ASSISTANCE TH DEPARTMENT OF COMMERCE IS PREPARED TO RENER THROUGH ITS DISTRICT OFFICE IN DALLAS, IN CONNECTION WITH THE PROPOSED VISIT BY MPT OFFICIALS TO INSPECT ROCKWELL/COLLINS FACILITIES AS WELL AS OTHER BUSINESS APPOINTMENTS THE MINISTER MIGHT WISH.

C) THE INVITATION SHOULD ALSO SUGGEST THAT, IN THE BROADER CONTEXT OF PROMOTING U.S.-ITALIAN COMMERCIAL INTERESTS, THE SECRETARY WOULD WELCOME, IN ADDIT ON TO EXPERTS FROM HIS OWN MINISTRY, OFFICIALS OR EXPERTS FROM COMPANIES IN THE TELECOMMUNICATIONS FIEL WHOM HE MIGHT WISH TO INCLUDE IN HIS DELEGATION

FYI- ACCORDING TO SOUCES IN THE MPT, THIS COULD LEAD TO DECISION TO BRING ALONG ONE OR TWO HIGH OFFICIALS FROM STET (SO-CIETA' FINANZIARIA TELEFONICA), THE GOVERNMENT PARTICIPATION (IRI)

HOLDING COMPANY THAT HAS CONTROLLING INTEREST IN ITALIAN TELECOM-
MUNICATIONS SECTOR. MOREOVER, INCLUDING STET COULD OPEN VAST PRO-
SPECTS FOR COLLABORATION IN ITALY AND THIRD COUNTRIES. FOR EXAMPLE,
ACCORDING TO TRADE SOURCES, THERE IS COSTLY COMPETITION BETWEEN
A US AND ITALIAN COMPANIES (WESTERN ELECTRIC VS. SIRT, PART OF
STET GROUP) FOR THE SAUDI ARABIAN "BACKBONE PROJECT" (TELEPHONE
NETWORK), WHEREAS COLLABORATION ON COMPLEMENTARY ELEMENTS OF
SYSTEM COULD HAVE RESULTED IN SAVINGS AND A FAIR SHARE OF BUSINESS
FOR BOTH. MOREOVER, THE ITALIAN STET GROUP HAS TRADITIONAL AND
TECHNOLOGICAL TIES TO GERMAN SIEMENS AND DUTCH PHILIPS--THUS,
ANY INROAD FOR U.S. INDUSTRY WOULD BE A PLUS. END FYI.

5. THE MINISTER WOULD BE ACCOMPANIED BY DIRECTOR GENERAL OF MPT
UGO MONACO: TWO OR THREE EXPERTS FROM THE CONSIGLIO SUPERIORE
TECNICO, THE TECHNICAL ADVISORY BOARD TO THE MPT; ONE OR TWO
TECHNICAL EXPERTS FROM THE ROME TELEX PROJECT; AND POSSIBLY ONE
OR TWO HIGH OFFICIALS FROM STET. NO COSTS FOR US GOVERNMENT INVOLVED,
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EXCEPT FOR LUNCHEON WHICH MIGHT BE HOSTED BY USG OFFICIALS.

6. ITINERARY: THE VISIT WOULD BE TENTATIVELY PROGRAMMED FOR A
TUESDAY TO SATURDAY PERIOD, WITH THE DELEGATION RETURNING TO ROME
OVER THE WEEK-END. PREFERRED TIMING IS MARCH 29-APRIL 1, 1975
VISIT COULD TAKE PLACE EITHER A WEEK BEFORE OR AFTER PROPOSED
DATES. THE FIRST DAY WOULD BE SCHEDULED FOR WASHINGTON,
FOLLOWED BY A TWO-DAY VISIT TO ROCKWELL-COLLINS FACILITIES FOR DE-

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 PA-01 PRS-01 /023 W
-----242028 031759 /43

R 241745Z FEB 77
FM AMEMBASSY ROME
TO SECSTATE WASHDC 2965

LIMITED OFFICIAL USE SECTION 2 OF 2 ROME 2983

PASS COMMERCE BIC/OED

E.O. 11652: N/A

TAGS: BEXP, ETEL, IT

SUBJECT: FOREIGN BUYER/MAJOR PROJECT OPPORTUNITY: VISIT OF ITALIAN
MINISTER OF POSTS AND TELECOMMUNICATIONS

MONSTRATIONS OF THEIR TEST-BED OPERATIONS FOR THE ROME MESSAGE
SWITCHING CENTER, AND FOR DISCUSSIONS OF COLLABORATION IN THRID-
COUNTRY PROJECTS. THE FOURTH DAY, FRIDAY, WOULD REMAIN FLEXIBLE
FOR ADDITIONAL VISITS. IN WASHINGTON, THE MINISTER WOULD LIKE TO
MEET WITH SECRETARY OF COMMERCE AND SENIOR OFFICIALS AT
STATE AND HAVE STATE-OF-THE-ART DISCUSSIONS WITH TELECOMMUNICATIONS
EXPERTS FROM DEFENSE AND OTHER PERTINENT/AGENCIES, AS WELL AS EXPLORA

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TORY DISCUSSIONS ABOUT JOINT VENTURES BETWEEN ITALIAN AND AMERICAN
COMPANIES.

7. ON LATTER POINT, OUR DISCUSSIONS WITH TRADE SOUCE INDICATE
THAT THERE ARE CONTINUING OPPORTUNITIES, EXPECIALLY IN AFRICA AND
MIDDLE EAST WHERE ITALIANS HAVE LONG OPERATED, BUT WHERE MANY
AMERICAN FIRMS ARE STILL RELATIVELY NEW, BUT HAVE FINANCING AND
COMPLEMENTARY TECHNOLOGY THAT CAN BENEFIT BOTH PARTIES. THE GOV
ERNMENT CAN PLAY A SIGNIFICANT ROLE IN BRINGING SUCH PARTIES
TOGETHER,E.G., THE UNFOLDING PROSPECT OF ROCKWELL/COLLINS COLL-
ABORATION IN THIS REGARD, WHICH CAN BE CARRIED FORWARD WITH OTHER
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COMPANIES AND SECTORS.

8. BIOGRAPHIC DATA: MINISTER COLOMBO IS A MEMBER OF CHRISTIAN
DEMOCRAT /FORZE NUOVE" FACTION, AND A CLOSE ASSOCIATE OF DONAT
CATTIN, ITS LEADER. HIS ROOTS, LIKE DONAT CATTINS, ARE IN TRADE
UNION WORK (CISL). BORN IN MILAN IN 1925, HE PARTICIPATE D IN LI-
BERATION MOVEMENT TOWARD END OF WWII. BY 1958, HE WAS ELECTED
TO CHAMBER OF DEPUTIES FROM MILAN AND HAS SERVED SUCCESSIVELY AS
UNDER SECRETARY IN FINANCE MINISTRY 1966-68; MINISTER OF FOREIGN
TRRADE IN FIRST RUMOR GOVERNMENT 1968; MINISTRY OF MERCHANT MARINE
IN SECOND RUMOR GOVERNMENT 1969; AND MINISTER OF HELTH IN FIFTH
RUMOR GOVERNMENT 1974 . HE PREVIOUSLY VISITED USA IN MID-FIFTIES
ON ICA (AID) MISSION.

9. ACTION REQUESTED: THAT COMMERCE, IN CONSULTATION WITH STATE,
PROMPTLY ISSUE AN INVITATION ALONG THE LINES SUGGESTED IN PARAGRAPH
4, TO BE TRANSMITTED BY THE EMBASSY TO MINISTER COLOMBO. DETAILS
RELATING TO WASHINGTON PROGRAM CAN BE LEFT TO STAFFWORK ONCE
INVITATION IS AGREED UPON. IT IS IMPORTANT TO FORMALIZE THE
INVITATION PROMPTLY IN ORDER TO CAPITALIZE ON THIS OPPORTUNITY.

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
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